

# Financial Statements

Jannus, Inc.  
(a nonprofit organization)  
Includes Supplementary Information  
Years Ended June 30, 2022 and 2021



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Jannus, Inc  
Boise, Idaho

### Opinion

We have audited the financial statements of Jannus, Inc, which comprise the statements of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Jannus, Inc as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jannus, Inc and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Other Matter

The financial statements of Jannus, Inc. for the year ended June 30, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on November 15, 2021

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Jannus, Inc's ability to continue as a going concern for one year after the date that the financial statements are issued.





## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Jannus, Inc's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jannus, Inc's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements.



The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated October 27, 2022 on our consideration of Jannus, Inc's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Jannus, Inc's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Jannus, Inc's internal control over financial reporting and compliance.



*Harris CPA*

Meridian, Idaho  
October 27, 2022

**JANNUS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,835,182	\$ 4,188,771
Investments	4,666,687	1,285,580
Grants and contracts receivable	2,371,895	1,795,287
Microloans receivable, net	135,248	190,603
Prepaid expenses and other assets	48,278	70,006
Property and Equipment, net	<u>1,488,582</u>	<u>1,202,889</u>
Total Assets	<u>\$ 10,545,872</u>	<u>\$ 8,733,136</u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 1,552,381	\$ 1,124,183
Accrued expenses	921,370	581,918
Deferred revenue	828,251	381,776
Refundable advance	1,879,862	1,525,668
SBA Microloan Program notes payable	208,002	241,683
Mortgages payable	<u>659,927</u>	<u>684,753</u>
Total Liabilities	<u>6,049,793</u>	<u>4,539,981</u>
<b>Net Assets</b>		
Without donor restrictions	2,215,868	2,091,363
With donor restrictions	<u>2,280,211</u>	<u>2,101,792</u>
Total Net Assets	<u>4,496,079</u>	<u>4,193,155</u>
Total Liabilities and Net Assets	<u>\$ 10,545,872</u>	<u>\$ 8,733,136</u>

See notes to financial statements.

**JANNUS, INC.**  
**STATEMENTS OF ACTIVITIES**  
**For the Year Ended June 30, 2022**

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	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenue and Support</b>			
Grants and contracts	\$ 18,609,438	\$	\$ 18,609,438
Fees for service and reimbursements	2,005,351		2,005,351
Contributions and donations	54,360	896,461	950,821
Gross special events revenue	598	150,863	151,461
Less cost of direct benefit to donors	<u>(5,183)</u>	<u>                    </u>	<u>(5,183)</u>
Net special events revenue	(4,585)	150,863	146,278
Contributions of nonfinancial assets	415,481		415,481
Dividends and interest	15,387		15,387
Net investment loss	(190,886)		(190,886)
Net assets released from restrictions for contributions spent in accordance with donor conditions	858,484	(858,484)	0
Net assets released from restrictions for depreciation on building owned with federal interest	<u>10,422</u>	<u>(10,422)</u>	<u>0</u>
Total support and revenues	21,773,452	178,418	21,951,870
<b>Expenses</b>			
Program Services			
Community health	8,890,958		8,890,958
Economic opportunity	7,370,446		7,370,446
Public policy	<u>3,537,096</u>	<u>                    </u>	<u>3,537,096</u>
Total Program Services	19,798,500		19,798,500
Supporting services			
Administration	1,615,723		1,615,723
Building and equipment	<u>234,723</u>	<u>                    </u>	<u>234,723</u>
Total supporting services	1,850,446		1,850,446
Total Expenses	<u>21,648,946</u>	<u>                    </u>	<u>21,648,946</u>
Change in Net Assets	124,506	178,418	302,924
<b>Net Assets</b>			
Beginning of Year	<u>2,091,363</u>	<u>2,101,792</u>	<u>4,193,155</u>
End of Year	<u>\$ 2,215,869</u>	<u>\$ 2,280,210</u>	<u>\$ 4,496,079</u>

**JANNUS, INC.**  
**STATEMENTS OF ACTIVITIES**  
**For the Year Ended June 30, 2021**

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	<b>Without Donor</b>	<b>With Donor</b>	
	<b><u>Restrictions</u></b>	<b><u>Restrictions</u></b>	<b><u>Total</u></b>
<b>Revenue and Support</b>			
Grants and contracts	\$ 12,519,544	\$ 959,520	\$13,479,064
Fees for service and reimbursements	1,465,371		1,465,371
Contributions and donations	41,751	885,806	927,557
Gross special events revenue	3,025	75,799	78,824
Less cost of direct benefit to donors	<u>(826)</u>	<u>                    </u>	<u>(826)</u>
Net special events revenue	2,199	75,799	77,998
Contributions of nonfinancial assets	465,747		465,747
Dividends and interest	19,855		19,855
Net investment return	141,720		141,720
Net assets released from restrictions for contributions spent in accordance with donor conditions	1,326,223	(1,326,223)	0
Net assets released from restrictions for depreciation on building owned with federal interest	10,422	(10,422)	0
Net assets released from time-restrictions	<u>3,000</u>	<u>(3,000)</u>	<u>0</u>
Total support and revenues	15,995,832	581,480	16,577,312
<b>Expenses</b>			
Program Services			
Community health	7,715,300		7,715,300
Economic opportunity	4,693,380		4,693,380
Public policy	<u>1,500,064</u>	<u>                    </u>	<u>1,500,064</u>
Total Program Services	13,908,744		13,908,744
Supporting services			
Administration	1,289,393		1,289,393
Building and equipment	<u>248,022</u>	<u>                    </u>	<u>248,022</u>
Total supporting services	<u>1,537,415</u>	<u>                    </u>	<u>1,537,415</u>
Total expenses	<u>15,446,159</u>	<u>                    </u>	<u>15,446,159</u>
Change in Net Assets	549,673	581,480	1,131,153
<b>Net Assets</b>			
Beginning of Year	<u>1,541,690</u>	<u>1,520,312</u>	<u>3,062,002</u>
End of Year	<u>\$ 2,091,363</u>	<u>\$ 2,101,792</u>	<u>\$ 4,193,155</u>

See notes to financial statements.



**JANNUS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2022**

	<u>Programs</u>			<u>Total Program Services</u>	<u>Supporting Services</u>		<u>Total Supporting Services</u>	<u>Total Expenses</u>
	<u>Community Health</u>	<u>Economic Development</u>	<u>Public Policy</u>		<u>Administration</u>	<u>Building &amp; Equipment</u>		
Salaries	\$ 2,829,820	\$ 1,772,746	\$ 934,084	\$ 5,536,650	\$ 949,652	\$	\$ 949,652	\$ 6,486,302
Benefits	852,836	467,237	237,772	1,557,845	209,699		209,699	1,767,544
Total salaries and benefits	3,682,656	2,239,983	1,171,856	7,094,495	1,159,351		1,159,351	8,253,846
Contracts and Consulting	492,356	2,383,656	1,655,405	4,531,417	38,844		38,844	4,570,261
Food provider payments	2,973,947			2,973,947	3,123		3,123	2,977,070
Stipends, assistance, & participant support	201,307	1,639,894	37,935	1,879,136				1,879,136
Indirect/administrative fees	656,460	504,654	350,475	1,511,589				1,511,589
Office rental and maintenance	225,132	228,737	37,317	491,186	38,916	54,606	93,522	584,708
Supplies	129,824	119,908	150,383	400,115	47,173		47,173	447,288
Staff & volunteer training	95,340	9,317	6,204	110,861	74,009		74,009	184,870
Computer supplies	68,429	56,345	12,478	137,252	39,915		39,915	177,167
Marketing & outreach	126,960	13,918	27,376	168,254	3,647		3,647	171,901
Telephone & Utilities	97,738	21,466	8,519	127,723	9,886	18,037	27,923	155,646
Insurance	15,300	15,434	5,413	36,147	86,673		86,673	122,820
Legal & accounting	8,208	16,928	3,825	28,961	88,036		88,036	116,997
Depreciation & amortization	10,422			10,422	3,798	99,838	103,636	114,058
Travel	51,188	15,628	36,055	102,871	10,994		10,994	113,865
Meetings	24,771	49,349	19,472	93,592	824		824	94,416
Printing	21,148	28,909	4,240	54,297	6,685		6,685	60,982
Interest						32,400	32,400	32,400
Fundraising	1,203	17,188	12,395	30,786				30,786
Property taxes					192	22,345	22,537	22,537
Postage	8,569	5,745	2,155	16,469	5,263		5,263	21,732
Bad debt expense		7,695		7,695				7,695
Loss on disposal of equipment						7,497	7,497	7,497
	8,890,958	7,374,754	3,541,503	19,807,215	1,617,329	234,723	1,852,052	21,659,267
Cost of direct benefit to donors		(1,940)	(3,243)	(5,183)				(5,183)
Investment broker fees		(2,368)	(1,164)	(3,532)	(1,606)		(1,606)	(5,138)
Total Functional Expenses	\$ 8,890,958	\$ 7,370,446	\$ 3,537,096	\$ 19,798,500	\$ 1,615,723	\$ 234,723	\$ 1,850,446	\$ 21,648,946

See notes to financial statements.

**JANNUS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended June 30, 2021**

	<u>Programs</u>			<u>Total Program Services</u>	<u>Supporting Services</u>		<u>Total Supporting Services</u>	<u>Total Expenses</u>
	<u>Community Health</u>	<u>Economic Development</u>	<u>Public Policy</u>		<u>Administration</u>	<u>Building &amp; Equipment</u>		
Salaries	\$ 2,247,405	\$ 1,511,465	\$ 628,954	\$ 4,387,824	\$ 796,149	\$	\$ 796,149	\$ 5,183,973
Benefits	701,096	439,039	154,336	1,294,471	206,847		206,847	1,501,318
Total salaries and benefits	2,948,501	1,950,504	783,290	5,682,295	1,002,996		1,002,996	6,685,291
Food provider payments	2,761,621			2,761,621				2,761,621
Contracts and Consulting	499,423	1,509,193	295,944	2,304,560	55,952		55,952	2,360,512
Indirect/administrative fees	504,497	378,478	178,774	1,061,749				1,061,749
Stipends, assistance, & participant support	235,439	379,305	3,882	618,626				618,626
Office rental and maintenance	191,167	202,327	33,923	427,417	36,291	64,314	100,605	528,022
Supplies	151,998	117,150	132,855	402,003	10,834	2,495	13,329	415,332
Marketing & outreach	131,787	15,071	21,961	168,819	271		271	169,090
Telephone & Utilities	85,703	22,871	8,577	117,151	6,780	16,909	23,689	140,840
Depreciation & amortization	10,422			10,422	5,685	106,237	111,922	122,344
Legal & accounting	16,394	11,638	3,062	31,094	75,502		75,502	106,596
Computer supplies	42,563	22,486	7,356	72,405	22,658		22,658	95,063
Staff & volunteer training	74,340	5,642	485	80,467	9,685		9,685	90,152
Insurance	7,007	12,197	1,522	20,726	51,664		51,664	72,390
Printing	21,159	8,262	2,773	32,194	6,777		6,777	38,971
Bad debt expense		37,277		37,277				37,277
Interest						33,554	33,554	33,554
Travel	15,199	9,568	8,069	32,836				32,836
Meetings	7,712	8,863	6,731	23,306	465		465	23,771
Property taxes					396	22,588	22,984	22,984
Postage	9,983	3,357	1,443	14,783	4,420		4,420	19,203
Fundraising	385	2,081	10,697	13,163				13,163
Loss on disposal of equipment						1,925	1,925	1,925
	7,715,300	4,696,270	1,501,344	13,912,914	1,290,376	248,022	1,538,398	15,451,312
Cost of direct benefit to donors		(648)	(178)	(826)				(826)
Investment broker fees		(2,242)	(1,102)	(3,344)	(983)		(983)	(4,327)
Total Functional Expenses	\$ 7,715,300	\$ 4,693,380	\$ 1,500,064	\$ 13,908,744	\$ 1,289,393	\$ 248,022	\$ 1,537,415	\$ 15,446,159

See notes to financial statements.

**JANNUS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**For the Year Ended June 30, 2022 and 2021**

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	<u>2022</u>	<u>2021</u>
<b>Cash Flow From Operating Activities</b>		
Change in net assets	\$ 302,924	\$ 1,131,153
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	114,058	122,344
Realized/unrealized (gain) loss on investments	190,886	(141,720)
Loss on disposal of property	7,497	1,925
Changes in operating assets and liabilities:		
Grants and contracts receivables	(576,608)	(556,434)
Prepaid expenses and other assets	21,728	(7,974)
Accounts payable	428,198	401,300
Accrued expenses	339,452	(31,905)
Deferred revenue	446,475	177,510
Refundable advances	354,194	758,279
Refundable advances: Paycheck Protection Program	<u>0</u>	<u>(959,520)</u>
Net Cash Provided (Used) in Operating Activities	1,628,804	894,958
<b>Cash Flow From Investing Activities</b>		
Purchase of property and equipment	(407,248)	(87,665)
Purchase of investments	(3,571,993)	(127,181)
Microloan lending	(98,672)	(123,835)
Microloan cash collection	<u>154,027</u>	<u>231,338</u>
Net Cash Provided (Used) in Investing Activities	(3,923,886)	(107,343)
<b>Cash Flows From Financing Activities</b>		
SBA Microloan Program note payments	(33,681)	(17,410)
Mortgage payments	<u>(24,826)</u>	<u>(23,675)</u>
Net Cash Provided (Used) in Financing Activities	(58,507)	(41,085)
Net Change in Cash and Cash Equivalents	(2,353,589)	746,530
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>4,188,771</u>	<u>3,442,241</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 1,835,182</u>	<u>\$ 4,188,771</u>

See notes to financial statements.

# JANNUS, INC.

## NOTES TO FINANCIAL STATEMENTS

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### Note A – Organization and Program Services

#### *Nature of Organization*

Jannus Inc, (Jannus) is a 501(c)(3) nonprofit corporation, founded in 1974, incorporated under the laws under the State of Idaho for the purpose of improving the delivery, accessibility, and quality of health care and social services. Offices are located in Boise, Coeur d’Alene, Rathdrum, Kellogg, Sandpoint, and Twin Falls, Idaho.

Jannus helps individuals, families and communities in transition, from infancy to healthy adulthood, from illness to health, from refugee to working citizens, and from isolation to community. Jannus changes lives through a portfolio of programs in community health, economic opportunity, and policy. An unwavering commitment to a culture of belonging and to fostering diversity, equity and inclusiveness is at the heart of Jannus. We embrace and celebrate the diversity of our staff, partners, volunteers and the communities we serve as reflected in our dedication to furthering these values through our policies, programs and all that we do. Community Health programs and services across the state of Idaho promote healthy parenting and early childhoods, access to healthy foods and nutrition in safe childcare environments, recovery and resilience in behavioral health, suicide prevention, multi-generational volunteerism for healthy aging and child development, family caregiver support, advanced care planning conversations, and building Idaho’s health care workforce. Funding for these services comes from a combination of federal, state, and private foundation grants or contracts, corporate giving, individual donors and fundraising events. Programs include:

- Empower Idaho
- Foster Grandparents
- Mountain States Early Head Start
- Honoring Choices Idaho
- Legacy Corps for Veteran & Military Families
- Nutrition Works
- Idaho Suicide Prevention Hotline
- Southwest Idaho Area Health Education Center

Economic Opportunity programs and services, offered in Southwest Idaho, provide support to launch and grow local businesses, meet emergency financial needs and champion future leaders. Through revolving loan funds, coaching, mentoring and training, we power prosperity for families and our local economy. We also offer a portfolio of services that promote self-sufficiency and build on the resilience of individuals of all ages who arrive as refugees. Initial resettlement services include English language instruction, cultural orientation, employment readiness classes, and connection to housing, school, employment, and health care. Expanded services include coaching and support for the development of small businesses, connection to land for community gardening and farming, speaking engagements to build community awareness and relationships, professional mentoring, and support to reclaim professional careers in the United States.

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note A – Organization and Program Services (Continued)**

Funding for these services comes from a combination of federal, state, and private foundation grants or contracts, corporate giving, individual donors and fundraising events. Programs include:

- Jannus Economic Opportunity (EO)
  - Business Development
  - Credit Building
  - Microlending
  - Refugee Childcare Business Development
  - Starling & Gemini Mentoring Projects
- Agency for New Americans
- Idaho Office for Refugees
  - English Language Center
  - Global Gardens
  - Global Talent
  - Refugee Speakers Bureau

Public Policy programs are a voice for Idaho’s children and families with an eye towards policies that promote health, education, and child well-being. We educate policymakers and the public, conduct research and analysis, and convene partnerships to ensure the needs of Idaho’s children are met. We are a non-partisan resource for data and analysis on how Idaho pays for vital government services including education, public health, safety and transportation. We are building awareness of the importance of out-of-school programming, providing tools and resources like enrichment grants to improve access, quality and equity in out of school time programs and development opportunities for professionals in this field. Funding for these services comes from a combination of federal, state, and private foundation grants or contracts, corporate giving, individual donors and fundraising events. Programs include:

- Idaho Center for Fiscal Policy
- Idaho Voices for Children
- Idaho Out-of-School Network

**Note B – Significant Accounting Policies**

*Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note B – Significant Accounting Policies (Continued)**

*Basis of Presentation*

Net assets and revenues, expenses, gains, and losses are classified according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net asset with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions.

*Accounting Pronouncements Adopted*

In 2022, Jannus adopted FASB Accounting Standards Update 2020-07, *Not-For-Profit Entities (Topic 958) – Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*, which clarifies the presentation and disclosure of contributed nonfinancial assets, including land, buildings, and other items. There was no material impact on Jannus’s activities or financial position upon adoption of the new standard.

*Contributions and Donor Imposed Restrictions*

Jannus separately accounts for and reports upon net assets that are donor restricted and net assets without donor restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Resources arising from the results of operations or net assets set aside by the Board of Directors are not considered to be donor restricted. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions.

*In-kind Contributions*

Jannus records in-kind goods based on the fair value as described in generally accepted accounting principles. Jannus recognizes donated services if they create or enhance non-financial assets or require specialized skills and would typically be purchased if not provided by donation. In-kind contributions are recognized as revenue when received and as expenditures when the resources are consumed.

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note B – Significant Accounting Policies (Continued)**

*Use of Estimates*

Jannus uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Significant estimates used in preparing these financial statements include those assumed in determining the allowance for doubtful accounts. It is at least reasonably possible that the significant estimates used will change within the next year.

*Cash and Cash Equivalents*

Jannus considers its short-term, highly liquid investments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents held and managed in brokerage accounts are included in Investments and not cash and cash equivalents.

*Concentration of Credit Risk*

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by Jannus to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations, under grant awards, supportive of the Jannus' mission. Investments are made by licensed investment managers, following a Board approved investment policy, and whose performance is monitored by an investment committee. Although the fair values of investments are subject to fluctuation on a year-to-year basis, Jannus and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of Jannus.

*Investments*

Investments with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note B – Significant Accounting Policies (Continued)**

*Grants, Contracts, Revenues and Receivables*

Grants and contracts revenue is recognized when earned. Grants and contracts receivable are all due in less than one year. Jannus provides credit in the normal course of business to its customers and performs ongoing credit evaluations of those customers. Jannus considers the need for allowances for doubtful accounts based on factors surrounding the credit risk of specific customers, historical trends, and other information. Except for the loan losses and allowance specific to the microenterprise loans, described below, Jannus has experienced no credit losses on grants and contracts during 2022 and 2021, and the allowance for doubtful accounts for grants and contracts receivable is \$0 as of June 30, 2022 and 2021.

*Property and Equipment*

Property and equipment is stated at cost, or, if donated, at the estimated fair market value at the date of donation. All equipment with a fair market value in excess of \$5,000 and a useful life of at least three years is capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which range from five to thirty years. Depreciation expense for the years ended June 30, 2022 and 2021 were \$114,058 and \$122,344, respectively.

*Fair Value*

Jannus uses fair value for financial assets and liabilities. A hierarchy for reporting the reliability of input measurements is used to assess fair value for all assets and liabilities. Fair value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the statements of financial position, which approximates fair value due to their short term, highly liquid nature.



**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note B – Significant Accounting Policies (Continued)**

*Revenue and Revenue Recognition*

Revenue is recognized when earned. A portion of Jannus' revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and / or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Jannus has incurred expenditures in compliance with specific contract or grant provisions. Program service fees and payments under cost-reimbursable grants and contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively, at which time they are deemed earned and recognized. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. Contributions are recognized when cash or other assets, or unconditional promise to give are received. Conditional promises to give, that is, those with a measurable performance or other barrier, and right of return, are not recognized until the conditions on which they depend have been substantially met.

Jannus received cost reimbursable grants that have not been recognized at June 30, 2022 and 2021, because qualifying expenditures have not yet been incurred. Advanced payments of \$1,879,862 and \$1,525,668 are recognized in the statements of financial position as a refundable advance as of June 30, 2022 and 2021, respectively.

*Revenue Concentration*

Jannus received approximately 47% and 33% of its revenues from the Department of Health and Human Services for the years ended June 30, 2022 and 2021, respectively. Changes in funding from these sources would substantially impact Jannus.

*Functional Allocation of Expenses*

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expense present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program and supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include land and building loan costs, maintenance, improvements, janitorial, utilities, property taxes and depreciation, which are allocated on a square footage used basis and classified as rent expense. Salaries and wages, benefits, and payroll taxes are allocated based on actual hours worked.

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note B – Significant Accounting Policies (Continued)**

*Marketing and Outreach*

Advertising costs, including marketing and client outreach, are expensed as incurred and amounted to \$171,901 and \$169,090, for the years ended June 30, 2022 and 2021, respectively.

*Income Taxes*

Jannus is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Accordingly, no provision for income taxes is made in the financial statements.

*Presentation of Certain Taxes*

Jannus collects various taxes from customers and remits these amounts to applicable taxing authorities. Jannus's accounting policy is to exclude these taxes from revenues.

*Uncertain Tax Positions*

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, Jannus may recognize tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement.

There were no unrecognized tax benefits identified or recorded as liabilities for fiscal year 2022 or 2021. Jannus files Form 990 in the U.S. federal jurisdiction. Jannus is generally no longer subject to examination by the Internal Revenue Service for years before 2018.

*Subsequent Events*

Jannus has evaluated subsequent events through October 27, 2022, which is the date the financial statements were available to be issued.

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note C – Liquidity and Availability of Resources**

Jannus’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 1,835,182
Investments	4,666,687
Other accounts receivable	<u>4,933</u>
Total financial assets available within one year	<u>\$ 6,506,802</u>
Less amounts unavailable for general expenditures, due to:	
Board designated endowment	(106,705)
Restricted by donors with purpose restrictions	<u>(1,987,369)</u>
Total financial assets available within one year after restriction	<u>\$ 4,412,728</u>

As part of Jannus’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At June 30, 2022, all net assets with donor restrictions are available for payment of any major expenditures incurred; with the exception of accounts receivable expected within the next year, which are available when the receivable is collected and the expenditure is incurred. To help manage unanticipated liquidity needs, Jannus keeps substantial funds in savings accounts and highly liquid short-term investment accounts.

**Note D – Investments**

Investments are summarized as follows as of June 30:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
<b>June 30, 2022</b>			
Investments	<u>\$ 4,705,425</u>	<u>\$ 4,666,687</u>	<u>\$ (38,738)</u>
<b>June 30, 2021</b>			
Investments	<u>\$ 1,182,598</u>	<u>\$ 1,285,580</u>	<u>\$ 102,982</u>

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note D – Investments (Continued)**

Investment income consists of the following for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Unrealized gain (loss)	(185,748)	146,048
Fees	<u>(5,138)</u>	<u>(4,328)</u>
	<u>\$ (190,886)</u>	<u>\$ 141,720</u>

**Note E – Fair Value of Assets and Liabilities**

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2      Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value instrument.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Jannus's investments are held in mutual fund and bonds. The mutual funds have readily determinable fair values based on daily redemption values and those investments are classified as Level 1. The bonds are valued based on the quoted prices for similar assets in active markets. These investments have been determined to be Level 2 assets.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note E – Fair Value of Assets and Liabilities (Continued)**

Investments stated at fair value are valued using the following inputs:

	<u>June 30, 2022</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and money market	\$ 151,348	\$ 0	\$ 0	\$ 151,348
Equity mutual funds	327,374			327,374
Exchange traded funds	17,122			17,122
Bond mutual funds	3,610,311			3,610,311
Municipal Bonds		560,532		560,532
	<u>4,106,155</u>	<u>560,532</u>	<u>0</u>	<u>4,666,687</u>
Total	<u>\$ 4,106,155</u>	<u>\$ 560,532</u>	<u>\$ 0</u>	<u>\$ 4,666,687</u>
	<u>June 30, 2021</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and money market	\$ 212,416	\$ 0	\$ 0	\$ 212,416
Equity mutual funds	332,598			332,598
Exchange traded funds	67,987			67,987
Bond mutual funds	545,619			545,619
Municipal and corporate bonds		126,960		126,960
	<u>1,158,620</u>	<u>126,960</u>	<u>0</u>	<u>1,285,580</u>
Total	<u>\$ 1,158,620</u>	<u>\$ 126,960</u>	<u>\$ 0</u>	<u>\$ 1,285,580</u>

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note F – Microloan Lending Transactions**

*Microenterprise Lending* – Under grants from the Federal Office of Refugee Resettlement (ORR) and other funders, EO issues microenterprise loans to generally underserved populations. These populations, often due to lack of or poor credit history, have difficulty obtaining traditional financing. EO bridges the gap for these individuals to start or expand businesses, continue education or obtain training for job upgrades, and develop a credit history. Individual loans range from \$200 to a maximum of \$35,000 for terms ranging from six months to six years. Jannus has the intent and ability to hold and administer these loans for the foreseeable future. Loans are stated at the unpaid principal balances.

Interest on loans, generally charged at 4 to 6 percent over the prime rate, is recognized as interest income over the term of the loan, calculated using the simple-interest method on principal amounts outstanding. Upon maturity or default, all sums due bear interest at 18% per annum until paid in full or as long as the default continues. Defaults are determined on a case-by-case basis considering excessive missed payments or failure to meet other loan obligations, as defined in each borrower's loan agreements. Loans are written-off when accounts become past due 120 days. A closing fee or small program participant loan fee is collected and recognized as fee income in the period received.

The need for an allowance for loan loss is evaluated on a regular basis considering the historical collection experience, estimated value of underlying collateral, circumstances of payment delays or shortfalls, and any adverse situations that may affect the borrowers' ability to repay. Based on these factors, management concluded a 5% allowance at June 30, 2022 and 2021, was the best estimate of outstanding microenterprise loans potentially unrecoverable, based on considerations including the portion of loan balances not fully covered by collateral, the loans in default status at June 30th, and the payment histories of existing borrowers. Any subsequent recovery will offset the allowance.

*SBA Microloan Program* –Jannus has multiple zero percent loans from the Small Business Administration (SBA). Jannus is using proceeds from these loans to make additional microloans to help non-traditional clients start or expand small businesses. Microloans can be used for working capital, inventory, supplies, furniture, equipment and high interest rate business debt. Loans over 120 days past due are required to be charged off. The loan maturity date does not exceed six years on microloans. Jannus may charge interest rates pre-approved by the SBA. For a microloan of more than \$10,000, those rates ranged from 7.75% to 10.25%, for years ended June 30, 2022 and 2021, respectively. For a microloan of \$10,000 or less, those rates ranged from 7.75% to 10.25% and from 7.75% to 10.25%, for each of the years ended June 30, 2022 and 2021.

Amounts loaned to Jannus are maintained in a restricted revolving loan fund. Jannus is also required to maintain a separate loan loss reserve fund at an amount equal to 15% of the amount received from the SBA.

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note F – Microloan Lending Transactions (Continued)**

*Collateral* – Management determines the need for collateral on a case-by-case basis, depending on the loan type and amount, borrower’s business history, and personal references. At June 30, 2022 and 2021, the percent of microenterprise loans receivable balances collateralized by borrowers’ business-related vehicles and equipment are 84% and 65%, respectively. To determine the collateralized balance, Jannus uses the lower of the ending loan receivable balance at June 30 or the fair value of the collateral. Fair value of collateral is based on Kelly Blue Book for vehicles or purchase price of applicable business assets. Jannus files a lien on the vehicle’s title and holds the title until the loan is paid in full or files a UCC1 lien with the State of Idaho for business equipment.

Consumer Lending – Jannus is licensed by the Idaho Department of Finance as a regulated consumer lender under the Idaho Credit Code. As a licensee, Jannus provides affordable small loans to individuals for personal, family, or household purposes. The main objectives of the personal lending program is to enable low to moderate-income individuals gain access to credit, meet emergency financial needs, provide opportunities for income stabilization, build or improve credit scores, and increase financial literacy. Consumers are able to take advantage of free financial and credit coaching to improve their financial stability and resiliency.

Consumers can borrow up to \$1,500 with no collateral and terms up to 18 months. Interest on loans is charged at 12%, is recognized as interest income over the term of the loan, and calculated using the simple-interest method on principal amounts outstanding. The need for an allowance for loan loss is evaluated on a regular basis, considering historical collection experience and circumstances of payment delays or shortfalls. Based on these factors, management concluded a 15% allowance at June 30, 2022 and 2021 each year, was the best estimate of outstanding consumer loans potentially unrecoverable. Any subsequent recovery will offset the allowance. Defaults are determined on a case-by-case basis considering excessive missed payments or failure to meet other loan obligations, as defined in each borrower’s loan agreement. Loans are written-off when accounts become past due 120 days.

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note F – Microloan Lending Transactions (Continued)**

The microloans receivable balance for the years ending June 30, are as follows:

	<u>2022</u>	<u>2021</u>
Microenterprise loans receivable, current	\$ 5,958	\$ 32,795
SBA microloan program loans receivable, current	43,073	57,325
Consumer loans receivable, current	31,749	38,899
Less allowance for doubtful accounts	<u>(20,923)</u>	<u>(26,311)</u>
	59,857	102,708
Microenterprise loans receivable, long-term	10,698	29,471
SBA microloan program loans receivable, long-term	62,875	55,396
Consumer loans receivable, long-term	<u>1,818</u>	<u>3,028</u>
Microloans receivable, long-term	<u>75,391</u>	<u>87,895</u>
Total microloans receivable	<u>\$ 135,248</u>	<u>\$ 190,603</u>

**Note G – Property and Equipment**

At June 30, property and equipment consisted of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 447,944	\$ 447,944
Buildings and improvements	1,987,440	1,879,277
Construction in process	0	48,945
Furniture and fixtures	<u>617,624</u>	<u>299,022</u>
	3,053,008	2,675,188
Less accumulated depreciation	<u>(1,564,426)</u>	<u>(1,472,299)</u>
	<u>\$ 1,488,582</u>	<u>\$ 1,202,889</u>



**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note H – Mortgages Payable**

At June 30, mortgages payable consisted of the following:

	<u>2022</u>	<u>2021</u>
Note payable to US Bank, \$3,673 monthly, including interest at 4.69% per annum, maturing May 2029. Secured by property.	\$ 510,489	\$ 529,789
Note payable to Mountain West Bank, \$1,096 monthly, including interest at 5% per annum, maturing April 2029. Secured by property.	<u>149,438</u>	<u>154,964</u>
	<u>\$ 659,927</u>	<u>\$ 684,753</u>

Maturities of long-term debt as of June 30, 2022 are as follows:

2023	\$ 25,943
2024	27,140
2025	28,561
2026	29,970
2027	31,448
Thereafter	<u>516,865</u>
Total	<u>\$ 659,927</u>

The loan agreement requires Jannus to meet certain operating and financial covenants, including a minimum liquidity amount. At June 30, 2022 and 2021, Jannus was in compliance with these covenants.

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note I – SBA Microloan Program Notes Payable**

Jannus participates in the Microloan Program administered by the Small Business Administration (SBA). The contract rights of the loans made by Jannus in the Microloan Program and related loan loss reserve funding are pledged as collateral. As of June 30, 2022 and 2021, Jannus has three separate, zero percent interest notes payable to SBA, the first with monthly installments of \$759, maturing in February 2026, the second with monthly installments of \$926, maturing in November 2027, and the third with monthly installments of \$1,111, maturing in March 2030. Future annual maturities of the SBA notes payable at June 30, 2022, are as follows:

2023	\$	33,680
2024		33,680
2025		33,680
2026		33,680
2027		26,088
Thereafter		<u>47,194</u>
Total	\$	<u>208,002</u>

**Note J – Line of Credit**

Jannus has a \$200,000 line of credit with a bank, secured by property. Borrowing under the line bears interest at the bank's prime rate plus 0.25%, but no less than 4% (5% and 4% at June 30, 2022 and 2021, respectively). Interest is payable monthly, with accrued interest and principal due at maturity in March 2023. As of June 30, 2022 and 2021, there was no outstanding balance. Jannus was in compliance with the loan covenants for the year ended June 30, 2022 and 2021.

**Note K – Net Assets**

Jannus reports net assets according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. All net assets with donor restrictions are restricted for the purpose of use within the program for which the grants or donations were received.

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note K – Net Assets (Continued)**

At June 30, the detail of Jannus’s net asset categories are as follows:

	<u>2022</u>	<u>2021</u>
Without donor restrictions:		
Undesignated	\$ 1,280,508	\$ 1,464,030
Board designated endowment	106,705	109,197
Invested in property and equipment	<u>828,655</u>	<u>518,136</u>
Total net assets without donor restrictions	2,215,868	2,091,363
With donor restrictions:		
Program specific support	1,987,369	1,798,528
Restricted building acquired with federal funds	<u>292,842</u>	<u>303,264</u>
Total net assets with donor restrictions	<u>2,280,211</u>	<u>2,101,792</u>
Total net assets	<u>\$ 4,496,079</u>	<u>\$ 4,193,155</u>

A board designated endowment was established and funded by donors and The Whitney Foundation to provide unrestricted funding for the long-term sustainability of Jannus programs and services.

**Note L – Contributed Nonfinancial Assets**

For the year ended June 30, 2022 and 2021, contributed nonfinancial assets recognized within the statement of activities included:

	<u>2022</u>	<u>2021</u>
Supplies	\$ 500	\$ 7,874
Rent	107,630	113,770
Services	<u>307,351</u>	<u>344,103</u>
Total contributed nonfinancial assets	<u>\$ 415,481</u>	<u>\$ 465,747</u>

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note L – Contributed Nonfinancial Assets (Continued)**

Jannus recognized contributed nonfinancial assets within revenue, including contributed rent, supplies, and services. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

The contributed use of facilities for Jannus are used for both program and general and administrative activities. In valuing the contributed use of facilities, which are located in Idaho, Jannus estimated the fair value on the basis of comparable rent per square foot in Idaho's commercial real estate market.

Contributed supplies were utilized in the following programs: Mountain States Early Head Start and Foster Grandparents, In valuing supplies, Jannus estimated the fair value on the basis of estimates of values that would be received for selling similar products in the United States.

Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

**Note M – Leases**

Jannus leases office space and equipment under various operating lease agreements that require monthly payments ranging from \$1 to \$4,875 with lease expirations ranging from fiscal years 2023 through 2027. In addition, Jannus also leases various facilities on a month-to-month basis. Future minimum lease payments as of June 30, 2022 are as follows:

2023	\$	97,441
2024		90,278
2025		79,362
2026		80,154
2027		<u>42,964</u>
Total	\$	<u>390,199</u>

Rent expense for buildings, equipment and the allocation of rent expenses to programs for the Jannus-owned building for the years ended June 30, 2022 and 2021, was \$336,628 and \$298,798, respectively.

**JANNUS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note N – Retirement Plan**

Employees of Jannus may participate in an Internal Revenue Code section 403(b)(7) retirement savings plan. The plan is funded by employee and employer contributions to the plan, pursuant to a salary reduction agreement. Jannus matches employee contributions two-to-one up to 5 percent of the employee's compensation. The amount of employer contributions for the year ended June 30, 2022 and 2021 was \$429,841 and \$379,363, respectively. Employees are immediately vested in employer contributions.

**SUPPLEMENTARY INFORMATION**

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
Jannus, Inc  
Boise, Idaho

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Jannus, Inc, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated October 27, 2022.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jannus, Inc's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jannus, Inc's internal control. Accordingly, we do not express an opinion on the effectiveness of Jannus, Inc's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jannus, Inc's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements.





However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Harris CPA*

Meridian, Idaho  
October 27, 2022





## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Board of Directors  
Jannus, Inc  
Boise, Idaho

### Report on Compliance for Each Major Federal Program

#### *Opinion on Each Major Federal Program*

We have audited Jannus, Inc's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Jannus, Inc's major federal programs for the year ended June 30, 2022. Jannus, Inc's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Jannus, Inc complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

#### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Jannus, Inc and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Jannus, Inc's compliance with the compliance requirements referred to above.

#### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Jannus, Inc's federal programs.





## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Jannus, Inc's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Jannus, Inc's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Jannus, Inc's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Jannus, Inc's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Jannus, Inc's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less



severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



*Harris CPA*

Meridian, Idaho  
October 27, 2022



**JANNUS, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2022**

Federal Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	Grant/Award or Pass Through Agency Number	Federal Expenditures	Amounts Passed Through to Subrecipients
<b>U.S. Department of Health and Human Services</b>				
<b>Direct Programs:</b>				
Early Head Start	93.600	10CH010540-04	\$ 2,446,973	\$
Refugee Social Services	93.566	1801IDRSOC, 1901IDRSOC, 2001IDRSOC, 2101IDRSOC, 2201IDRSOC	2,139,029	1,239,675
Refugee Cash and Medical Assistance Program	93.566	21ABIDRCMA, 22ABIDRCMA	1,573,926	118,695
Wilson Fish TANF Coordination Program	93.583	90RW0076	362,473	223,244
Refugee Career Pathways	93.576	90ZM0013-01-03, 90ZM0022	240,684	80,404
Refugee Home-Based Childcare	93.576	90RG0216-01, 90RG0197-03	180,786	
Refugee Microenterprise Development	93.576	90RG0184-05, 90RG0184-04	172,236	
Early Head Start - American Rescue Plan Act	93.600	10HE000927-01-01	87,674	
<b>Pass Through Programs Through:</b>				
Idaho Dept of Health and Welfare - Community Grant	93.575	NA	1,587,143	
Idaho Dept of Health and Welfare - Block Grants for Community Mental Health Services	93.958	HC960100	394,818	
Idaho Dept of Health and Welfare - Substance Abuse Block Grant	93.959	HC960100	250,000	
Episcopal Migration Ministries (EMM) - Match Grant	93.567	2120NYRVMG	166,740	
Idaho Dept of Health and Welfare - Refugee TANF Case Management	93.558	WC093300	147,021	53,240
Univ of Washington - Southwest Idaho Area Health Education Center	93.107	UWSC6106	140,550	
EMM - Intensive Case Management Preferred Communities Grant	93.576	90RP0115	101,564	
Idaho Dept of Health and Welfare - Child Care and Development	93.575	WC091500	88,434	
Idaho Dept of Health and Welfare - Refugee Community Health Worker Program	93.566	HC235300	79,783	
Idaho Commission on Aging - Alzheimer's Disease Demonstration Grant	93.051	NA	62,261	
EMM -Preferred Communities Grant APA Supplemental	93.576	90RP0117	59,802	
Idaho Dept of Education - Garret Lee Smith Idaho Lives Project	93.243	21-7810	20,000	
EMM -Preferred Communities Grant Ukrainian Supplemental III	93.576	NA	18,509	
EMM -Preferred Communities Grant APA Supplemental II	93.576	90RP0117	8,546	
Idaho Dept of Health and Welfare - Orientation to Health Careers	93.236	NA	4,000	
Idaho Dept of Health and Welfare - Refugee Entrant & Assistance	93.566	HC225500	3,036	

**JANNUS, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2022**

Federal Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	Grant/Award or Pass Through Agency Number	Federal Expenditures	Amounts Passed Through to Subrecipients
<b><u>U.S. Department of Health and Human Services (Continued)</u></b>				
<b>Pass Through Programs Through (Continued):</b>				
Terry Reilly Health Services - COVID-19 and Suicide Prevention Project	93.665	1H79FG00036601	2,813	
Idaho Coalition on Aging - Lifespan Community Respite Project	93.072	90LRLI0014-01	1,439	
<b>Total U.S. Department of Health and Human Services</b>			<b>10,340,240</b>	<b>1,715,258</b>
<b><u>U.S. Department of Agriculture</u></b>				
<b>Direct Programs:</b>				
Local Food Promotion Program	10.175	AM190100XXXXG156	148,962	
Outreach and Assistance for Socially Disadvantaged Farmers	10.443	AO202501X443G021	70,359	
<b>Pass Through Programs Through:</b>				
Idaho Dept of Education - Child & Adult Care Food Program	10.558	4864	3,430,107	
<b>Total U.S. Department of Agriculture</b>			<b>3,649,428</b>	
<b><u>U.S. Department of State</u></b>				
<b>Pass Through Programs Through:</b>				
EMM - Cooperative Agreement (R&P)	19.510	S-PRMCO-22-CA-0028	306,086	
EMM - Afghani Parole Support	19.510	S-PRMCO-21-CA-3292	174,244	
<b>Total U.S. Department of State</b>			<b>480,330</b>	
<b><u>Corporation for National and Community Service</u></b>				
<b>Direct Programs:</b>				
Foster Grandparents	94.011	21SFDID001	281,991	
<b>Pass Through Programs Through:</b>				
Arizona State University - Legacy Corp	94.006	ASUB00000150, ASUB00000892	73,681	
<b>Total Corporation for National Service</b>			<b>355,672</b>	
<b><u>U.S. Small Business Administration</u></b>				
<b>Direct Programs:</b>				
Microloan Intermediary Technical Assistance	59.046	SBAOCAML200073-01-00	280,996	
<b><u>U.S. Department of Justice</u></b>				
<b>Pass Through Programs Through:</b>				
Idaho Dept of Health and Welfare - Crime Victim Assistance	16.575	VC054900	105,233	
Agency for New Americans				
<b><u>U.S. Department of Treasury</u></b>				
<b>Pass Through Programs Through:</b>				
United Way - Coronavirus State and Local Fiscal Recovery Funds - Idaho Voices for Children Funds	21.027	NA	10,000	

JANNUS, INC.  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended June 30, 2022

Federal Grantor / Pass-Through Grantor / Program Title	Federal Assistance Listing Number	Grant/Award or Pass Through Agency Number	Federal Expenditures	Amounts Passed Through to Subrecipients
<b><u>Federal Emergency Management Agency</u></b>				
<b>Direct Programs:</b>				
NonProfit Security Program	97.008	21NSGP645	6,550	
<b><u>U.S. Department of Education</u></b>				
<b>Pass Through Programs Through:</b>				
Idaho Dept of Education - Twenty-First Century	84.287	NA	996	
Community Learning Centers				
<b>Total Federal Assistance</b>			<b>\$ 15,229,445</b>	<b>\$ 1,715,258</b>

**JANNUS, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

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**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Jannus, Inc. under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Jannus, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Jannus.

**Note B – Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported on the accrual basis of accounting, except for subrecipient expenditures which are recorded on the cash basis. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein, certain types of expenditures are not allowable or are limited as to reimbursement.

**Note C – Indirect Cost Rate**

Jannus has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note D – Loan Programs**

The loan program listed below is administered directly by Jannus and the balances and transactions relating to this program are included in Jannus' basic financial statements. Expenditures reported in this schedule consist of the beginning of the year outstanding loan balance plus loans made during the year. The receivable balance at June 30, 2022 is:

<u>Assistance Listing Number</u>	<u>Program Name</u>	<u>Balance at June 30, 2022</u>
59.046	SBA Microloan Program	\$105,947

**JANNUS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2022**

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**Section I – Summary of Audit Results**

*Financial Statements*

Type of auditors' report issued: Unmodified  
 Internal control over financial reporting:  
 • Material weakness identified? \_\_\_\_\_ yes   X   no  
 • Significant deficiencies identified that are not  
 considered to be material weaknesses? \_\_\_\_\_ yes   X   none reported

Noncompliance material to the financial  
 statements noted? \_\_\_\_\_ yes   X   no

*Federal Awards*

Internal control over major programs:  
 • Material weakness identified? \_\_\_\_\_ yes   X   no  
 • Significant deficiencies identified that are not  
 considered to be material weaknesses? \_\_\_\_\_ yes   X   none reported

Type of auditors' report issued on compliance  
 for major programs: Unmodified  
 Any audit findings disclosed that are required  
 to be reported in accordance with section  
 2 CFR 200.516(a)? \_\_\_\_\_ yes   X   no

Identification of major programs:

CFDA Number

10.558  
 93.575

Name of Federal Program

Child and Adult Care Food Program  
 Child Care and Development Block

Dollar threshold used to distinguish between  
 type A and type B programs: \$ 750,000

Auditee qualified as a low-risk auditee?   X   yes \_\_\_\_\_ no



**JANNUS, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2022**

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**Section II – Financial Statement Findings**

No findings related to the financial statements were noted which would be required to be reported under generally accepted governmental auditing standards (GAGAS).

**Section III – Federal Award Findings and Questioned Costs**

No findings related to the financial statements were noted which would be required to be reported under generally accepted governmental auditing standards (GAGAS).

**JANNUS, INC.**  
**SCHEDULE OF PRIOR AUDIT FINDINGS**  
**For the Year Ended June 30, 2022**

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*Condition 2021-001:* As previously reported on Jannus's June 30, 2021 audited Schedule of Expenditures of Federal Awards, Jannus did not adequately review the eligibility determinations due to challenges in obtaining signatures during the COVID-19 pandemic. No ineligible participants were served.

*Resolution in the current year:* Jannus has trained program staff on the importance of performing and documenting by a qualified second staff person. Jannus has implemented an electronic review and approval tool to enhance the process and documentation and has trained the program staff on its usage and the storage of reviewed documentation for eligibility.